



BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

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IN THE MATTER OF THE APPLICATION OF
THE ARIZONA ELECTRIC DIVISION OF
CITIZENS COMMUNICATIONS COMPANY TO
CHANGE THE CURRENT PURCHASED
POWER AND FUEL ADJUSTMENT CLAUSE
RATE, TO ESTABLISH A NEW PURCHASED
POWER AND FUEL ADJUSTMENT CLAUSE
BANK, AND TO REQUEST APPROVED
GUIDELINES FOR THE RECOVERY AND
COSTS INCURRED IN CONNECTION WITH
ENERGY RISK MANAGEMENT INITIATIVES.

Docket No. E-01032C-00-0751

**MARSHALL MAGRUDER REPLY TO
CITIZENS
REQUEST TO SUSPEND**

NOVEMBER 30, 2002

On November 21, 2002, Citizens Communications Company ("Citizens") filed with the Arizona Corporation Commission ("Commission") a Motion to Suspend the December 9 hearings in its Application for a change in their purchase power and fuel adjustment clause (PPFAC). This Motion requested that the Parties to this proceeding review the proposed Citizens and UniSource Energy Corporation ("UniSource") asset purchase and consider its impact on this PPFAC case. Citizens further requested that the applicable dates from the September 27, 2002, Procedural Order be suspended and that a procedural conference be scheduled for January 15, 2003.

According to this Procedural Order, by the date of this Motion to Suspend, all data requests between parties were to be completed. There is one exception; specifically, Marshall Magruder's Data Request Three filed October 21, 2002. Citizens filed a Motion to Strike Data Request Three on October 28 with my Reply to this Motion on November 1, 2002, to which Citizens filed a Response on November 7. On November 7, a telephonic conference, led by the Administrative Law Judge, was held with all Parties (except for AUIA and City of Nogales) to resolve the Motion to Strike.

Summarizing this telephonic conference, the ALJ directed, and the Parties agreed, that
(1) Citizens respond to Data Request Three with specified items omitted, see (4) below,

1 (2) Citizens response time be extended to November 22, 2002, and

2 (3) Mr. Magruder could file a limited Supplemental Testimony, reflecting information from
3 Citizens Data Request Three response, not later than November 29, 2002 to change, if necessary,
4 his Supplemental Testimony of November 5, 2002, with errata of November 8, 2002. My
5 Supplemental Testimony was limited and could not be completed due to failure by Citizens to
6 respond, even by November 30. The response by Citizens is an important link to elements involving
7 implications of this case with respect to the Citizens and UniSource purchase agreement.

8 (4) Citizens agreed to provide responses to the following Data Requests items from DR Three:

9 MM-3.1 Items (5) to (21), New Citizens – PWCC Agreement(s), all Items except (9), (10)
10 and (12).

11 MM-3.2 Items (7) to (38), Citizens PPFAC Account and "Loan," all Items except (20), (21),
12 (22) and (23).

13 MM-3.6 Items (9) to (10), Valencia Turbines, all Items, without exception.

14 MM-3.7 Items (6) to (8), Number of Customers, all Items except (6).

15 MM-3.16A (1) to (4), Effective Confidentiality Agreement and Disclosure, all Items.

16 MM-3-16B (61) to (119), Effective "APS-Citizens Confidential" Information and Disclosure,
17 as mutually agreed upon by Citizens and Mr. Magruder, for all Items except (100) to (110).

18 MM-3.17 Item (1) or Items (1) to (23), Possible Conflict of Interest, Citizens is not to respond.
19 The ALJ deemed this was more appropriate for the ACC Legal Division to investigate than here.

20 MM-3.18 Items (1) to (17), FERC Investigation with Respect to Possible Illegal Energy
21 Charges, all Items except (8) through (17).

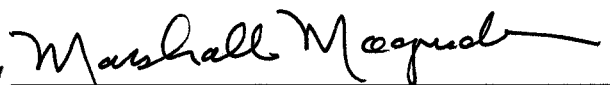
22 **Recommendations:**

23 Therefore, in order to continue without impacting the proposed schedules, it is requested the
24 below actions be approved, so the Citizens-Tucson Electric and other discussions can proceed:

1. Citizens respond to Marshall Magruder Data Request Three immediately, as agreed during the November 7, 2002 telephonic conference, as indicated by (4) above.
2. Citizens provide all Parties a complete copy of the Citizens-UniSource Asset Purchase Agreement of October 29, 2002 in order to permit timely review.
3. Citizens respond to Data Request MM-3.16B by reviewing the "confidential" material. Since no "confidential" material was requested, Citizens should respond to the requested information.
4. Marshall Magruder is permitted to file a limited Supplemental Testimony seven days after receipt of Citizens response to his Data Request Three, for review by the parties, at least five days before the next hearing and/or procedural conference.
5. All parties in this case, if combined with or continued with an Asset Purchase Agreement proceeding, are also continued as parties, without additional filing.

Respectfully submitted this 30th day of November, 2002.

MARSHALL MAGRUDER

By 
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